



Title: Title I, Payroll/Personnel Manual

Chapter: 28, Section 2, Tax Formulas (TAXES)

Bulletin: TAXES 08–18, Utah State Income Tax Withholding

Date: April 4, 2008

To: Holders of TAXES (State of Utah only)
Personnel User Groups
T&A Contact Points in Utah

Beginning with wages paid for Pay Period 6, the National Finance Center (NFC) will make the following changes to the state of Utah income tax withholdings:

- The Single and Married graduated withholding rate tables will be replaced with a flat tax rate of 5.0%.
- The withholding allowance tax credit for Single filers will change to \$125, per withholding allowance, plus a base allowance of \$250. The withholding allowance tax credit will reduce once the employee's annualized wages exceed \$12,000.
- The withholding allowance tax credit for Married filers will change to \$125, per withholding allowance, plus a base allowance of \$375. The withholding allowance tax credit will reduce once the employee's annualized wages exceed \$18,000.

No action on the part of the employee or the personnel office is necessary.

To view the updated tax formula, go to NFC's Home Page (www.nfc.usda.gov) and click the **Publications** link at the top of the page. At the Publications page right-hand menu, click **Tax Formulas** and select the appropriate state from the map provided. Changes to the tax formula are identified by “►◄”.

For questions about NFC processing, contact the Payroll/Personnel Call Center at **504-255-4630**.

MARK J. HAZUDA, Director
Government Employees Services Division

Utah State Income Tax Information

State Abbreviation:	UT
State Tax Withholding State Code:	49
Acceptable Exemption Form:	None
Basis For Withholding:	Federal Exemptions
Acceptable Exemption Data:	▶S, M/Number of Exemptions◀
TSP Deferred:	Yes
Special Coding:	None
Additional Information:	▶None◀

Withholding Formula ▶(Effective Pay Period 6, 2008)◀

1. Subtract the nontaxable biweekly Thrift Savings Plan contribution from the gross biweekly wages.
2. Subtract the nontaxable biweekly Federal Health Benefits Plan payment (s) (includes dental and vision insurance program, and flexible spending account – health care and dependent care deductions) from the adjusted gross biweekly wages.
3. Add taxable fringe benefits (taxable life insurance, etc.) to the adjusted gross biweekly wages.
4. Multiply the adjusted gross biweekly wages by ▶27◀ to obtain the annual wages.
5. ▶Multiply the annual taxable wages by 5.0% to determine the annual gross tax amount.◀
6. ▶Calculate the annual gross withholding allowance.
 - a. Multiply the number of withholding allowances claimed by \$125 to determine the annual gross withholding allowance.
 - b. Add the following Base Allowance to the annual gross withholding allowance:

Marital Status:	Base Allowance:
Single	\$ 250
Married	375◀

7. ▶Calculate the annual withholding allowance reduction.
 - a. Subtract the following amount from the employee's annual taxable wages, but not less than zero:

Marital Status:	Amount:
Single	\$ 12,000
Married	18,000

- b. Multiply the amount calculated in Step 7a by 1.3% to determine the annual withholding allowance reduction. ◀
8. ▶Subtract the annual withholding allowance reduction from the annual gross withholding allowance, but not less than zero. This is the annual net withholding allowance.◀

9. ► Subtract the annual net withholding allowance from the annual gross tax amount to determine the employee's annual net tax.◄
10. Divide the annual Utah tax withholding by ►27◄ to obtain the biweekly Utah tax withholding.